

# Goal: GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS

## Desired Community Condition(s)

Products, services, and materials are obtained efficiently, fairly, and in a timely manner.

## Program Strategy: MATERIALS MANAGEMENT

25513

Materials Acquisition, Inventory, Distribution, and Disposition Management

Department: FINANCE AND ADMINISTRATIVE SERVICES

### Service Activities

Materials Management

### Strategy Purpose and Description

The purpose of this program strategy is to provide materials management in acquisition, inventory, and distribution for City supply goods, and disposition for City surplus and salvage goods, within applicable rules and guidelines and with full accountability for City assets.

### Changes and Key Initiatives

Key Initiatives:

- 1) Improve response to inventory reorder levels thus reducing stock outs.
- 2) Improve methods for acquisition of goods to user agencies through a user-friendly requisition process and understanding of product availability.
- 3) Provide more PC training for Internal Services employees in order that they increase their level of skills thus providing a higher level of service to its customers.
- 4) Develop more creative methods for the disposal of surplus/salvage goods, maximizing return to the City.
- 5) Continue to increase the environmentally responsible and user-friendly quality of supply goods to City agencies.
- 6) Acquisition and implementation of a new inventory system that is supported and will interface with the City Financial Systems.

### Input Measure (\$000's)

2001	715	715 SUPPLIES INVENTORY MANAGEMENT FUND	512
2002	715	715 SUPPLIES INVENTORY MANAGEMENT FUND	512
2003	715	715 SUPPLIES INVENTORY MANAGEMENT FUND	499
2004	715	715 SUPPLIES INVENTORY MANAGEMENT FUND	449
2005	715	715 SUPPLIES INVENTORY MANAGEMENT FUND	494
2006	715	715 SUPPLIES INVENTORY MANAGEMENT FUND	552

Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Reduce City Agency's spending costs.	Through competitive purchasing, streamlined processes, and readily available items on demand and at a one stop shop.	2001				
		2002	None			

Increase availability of goods to reduce City Agency's spending costs by reducing stockouts from 3.42% in FY2002 to 3% or less in FY2003.	2003	3%	3.20%	2.64%
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Increase availability of goods to reduce City agency's spending costs by maintaining stockouts to 3% or less.	2004	<=3%		
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	2005	<=3%	3.15%	3.85%
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	2006	<=3%		
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Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Increase reuse of City Surplus and Salvage property.	Utilize the intranet of items available fore reuse to City agencies to increase reuse.	2001				
		2002	None			
	Utilize the intranet of items available for reuse to City agencies to increase reuse. Outcome measure will be estimated in the expected cost of new equipment that the reutilized surplus displaced.	2003	\$5,000	\$2,360	\$12,376.00	Determined by estimated fair market value of comparable new equipment as opportunity cost savings for using surplus goods.
		2004	\$5,000 per year			
		2005	\$5,000 per year	\$3,150.00	\$6,549.00	
		2006	\$5,000 per year			

<i>Strategy Outcome</i>	<i>Measure</i>	<i>Year</i>	<i>Project</i>	<i>Mid Year</i>	<i>Actual</i>	<i>Notes</i>
increase revenue return of disposed City Surplus and Salvage property.	<i>Increase return of disposed items through innovative disposal methods such as the Internet and innovative auctioneering services</i>	2001			\$225,000	
		2002	\$400,000			
		2003	\$420,000	\$145,000	\$273,451.9 0	<i>Lower than expected revenue return due to stagnant economy.</i>
		2004	\$420,000 per year			
		2005	\$420,000 per year	\$80,195.7		
		2006	\$420,000 per year			

**Goal:****GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS****Parent Program Strategy:** MATERIALS MANAGEMENT**Department:** *FINANCE AND ADMINISTRATIVE SERVICES***Service Activity:** Materials Management**2576000*****Service Activity Purpose and Description***

To provide materials management in acquisition, inventory, distribution and disposition for City supply, surplus and salvage goods, within applicable rules and guidelines and with full accountability for City related assets.

***Changes and Key Initiatives***

Key Initiatives:

- 1) Improve response to inventory reorder levels thus reducing stock outs.
- 2) Improve methods for acquisition of goods to user agencies through a user-friendly requisition process and understanding of product availability.
- 3) Provide more PC training for Internal Services employees in order that they increase their level of skills thus providing a higher level of service to its customers.
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- 5) Continue to increase the environmentally responsible and user-friendly quality of supply goods to City agencies.
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***Input Measure (\$000's)***

2002	715	715 SUPPLIES INVENTORY MANAGEMENT FUND	512
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2006	715	715 SUPPLIES INVENTORY MANAGEMENT FUND	552

***Strategic Accomplishments***

<b><i>Output Measures</i></b>	<b><i>Year</i></b>	<b><i>Projected</i></b>	<b><i>Mid-Year</i></b>	<b><i>Actual</i></b>	<b><i>Notes</i></b>
Reduce the # of stockouts in inventory item requests	2001				
	2002	NA		3.42%	FY2002 is a year to determine a base for stockout level. The measurement is the % of items not available by line requests. A program returning this information is currently on line but has been only been gathering data since Dec. FY01. In the 7 months of FY01, stockout level averaged 3.91%. For the 11 months of FY2002 through May, average stockout level has been 3.42%. This information will establish a base line for FY2003 output measure.
Reduce stockout level to 3% or less.	2003	3.00%			

2004	<=3.00%	
2005	<=3.00%	3.15%
2006	<=3.00%	

<b>Output Measures</b>	<b>Year</b>	<b>Projected</b>	<b>Mid-Year</b>	<b>Actual</b>	<b>Notes</b>
Revenue return on sale of City surplus/salvage property.	2001			\$450,000	
Revenue return on sale of City surplus/salvage property.	2002	\$450,000	\$205,686	\$422,593	While the organization fell short of the projected goal, an auction had been conducted in April 2001 grossing the highest auction ever in the history of City auctions in the amount of \$547,418. It is believed that this may have had an impact on the projection shortfall.
Revenue return on sale of City surplus/salvage property.	2003	\$420,000			
	2004	\$400,000			
	2005	\$400,000	\$80,195.70		
	2006	\$400,000			

<b>Quality Measures</b>	<b>Year</b>	<b>Projected</b>	<b>Mid-Year</b>	<b>Actual</b>	<b>Notes</b>
Implement User Training Sessions for services provided to users.	2001			2	
Implement User Training Sessions for services provided to users.	2002	4	2	3	Because of the open vacancy of the Purchasing Officer, no formal Purchasing trainings were scheduled for 3rd and 4th qtr. FY 2002.
	2003	4	1		
	2004	4		20	
	2005	4	1		
	2006	20			

<b>Quality Measures</b>	<b>Year</b>	<b>Projected</b>	<b>Mid-Year</b>	<b>Actual</b>	<b>Notes</b>
Schedule user agency visits to assure user needs are being met and any additional requirements can be pursued.	2001			10	
Schedule user agency visits to assure user needs are being met and any additional requirements can be pursued.	2002	10	6	10	
	2003	10	7		
	2004	10			
	2005	10	6	12	

